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FOR IMMEDIATE RELEASE
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THREE SENTENCED IN \$14.5 MILLION MORTGAGE FRAUD SCHEME

Jackson, Miss - Dwayne G. Deer of Biloxi, MS (formerly of McComb), James Todd Phillips of McComb, and Dawn Stinson of McComb, were sentenced today by Senior U.S. District Judge Tom S. Lee for their roles in a mortgage fraud scheme that operated from March 2003 through January 2006, U.S. Attorney Donald R. Burkhalter announced today. Deer and Phillips victimized over 25 banks, title insurance companies and other business entities in Mississippi and Louisiana by forging and filing Cancellations of Deeds of Trust to support false title opinions and other false information provided to the victims so that Phillips could obtain over \$14.5 Million in fraudulent loans to purchase and redevelop various real property throughout Mississippi and Louisiana.

Dwayne G. Deer was sentenced to serve 37 months imprisonment followed by 3 years of supervised release. Todd Phillips was sentenced to serve 51 months imprisonment, followed by 3 years of supervised release. Deer and Phillips had previously pled guilty to Conspiracy to Commit Bank Fraud. Dawn Stinson, who previously pled guilty to Misprision of Felony, was sentenced to two years probation. The court deferred entering a Restitution Order for 90 days to permit time to receive updated repayment information from the U.S. Bankruptcy Trustee.

Todd Phillips owned and operated Statewide Realty Holdings, LLC, and Todd Phillips Investments, Inc., (TPI) as real estate enterprises in McComb, MS. Dwayne Deer operated his McComb law practice in office space rented from Todd Phillips, who was Deer's principal client during the period of the conspiracy. Dawn Stinson initially worked for Deer as his legal assistant, but later joined Phillips's staff as his office manager. In order to obtain the fraudulent loans, Deer and Stinson assisted Phillips in repeatedly pledging encumbered parcels of real property as collateral, fabricating title opinions, and providing other false information to conceal from the banks and title insurers that the properties were already encumbered. They also prepared and forged Cancellations of Deed of Trust which were given to the banks and filed in the public records with various Chancery Clerks as evidence that previous loans had been paid and the collateral had been released free and clear. These forged and fraudulent Cancellations were notarized by office manager Dawn Stinson at Todd Phillips's request. These lies and

fabricated documents misled the banks to believe the loans were properly secured with a priority interest in the collateral. In fact, the properties were already pledged as security for existing loans with other banks. Through their lies and false documents, in each instance Phillips and Deer caused at least 2 banks– and in some cases as many as 4 – to believe that each held clear title to a single piece of property at a given time. The scheme unraveled when Phillips failed to repay the loans and began filing bankruptcy as the banks attempted to foreclose on the properties.

"The Federal Deposit Insurance Corporation (FDIC) Office of Inspector General (OIG) is committed to its partnerships with others in the law enforcement community as we address mortgage fraud cases throughout the country. The American people need to be assured that their government is working to ensure integrity in the financial services and housing industries and that those involved in criminal activities that undermine that integrity will be held accountable," said Jon T. Rymer, Inspector General, FDIC.

U.S. Attorney Burkhalter stated that, "Deer and Phillips engaged in the worst kind of commercial deceit, bringing disgrace on the professions they represent, their families, and themselves. It is regrettable that over-arching greed and arrogance drives people such as these to federal prison, where they richly deserve to go."

The prosecutions of Phillips, Deer, and Stinson were handled by Assistant United States Attorney Carla J. Clark. The criminal investigation was conducted by Special Agent Marten L. Williams of the Federal Deposit Insurance Corporation-Office of Inspector General (FDIC-OIG) with the assistance of the Federal Bureau of Investigation (FBI) in Jackson, MS and State District Attorney Dee Bates in McComb, MS.

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